



Reprinted  
February 27, 2001

---

## SENATE BILL No. 207

---

DIGEST OF SB 207 (Updated February 26, 2001 2:22 PM - DI 92)

**Citations Affected:** IC 6-4.1; noncode.

**Synopsis:** Inheritance tax exemption for Class A transferees. Provides a complete exemption from the inheritance tax for property interests transferred to lineal descendants and ancestors (Class A transferees) with respect to persons who die after June 30, 2001. Provides that the spouse, widow, or widower of a child of a transferor is a Class A transferee rather than a Class B transferee as provided in current law.

**Effective:** July 1, 2001.

---

---

### Ford, Skillman, Hume, Miller, Zakas

---

---

January 9, 2001, read first time and referred to Committee on Finance.  
February 22, 2001, reported favorably — Do Pass.  
February 26, 2001, read second time, amended, ordered engrossed.

---

---

C  
o  
p  
y

SB 207—LS 6965/DI 92+



Reprinted  
February 27, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## SENATE BILL No. 207

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-4.1-1-3 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) "Class A  
3 transferee" means a transferee who is a:  
4 (1) lineal ancestor or lineal descendant of the transferor; **or**  
5 (2) **spouse, widow, or widower of a child of the transferor.**  
6 (b) "Class B transferee" means a transferee who is a:  
7 (1) brother or sister of the transferor;  
8 (2) descendant of a brother or sister of the transferor; or  
9 (3) ~~spouse, widow, or widower of a child of the transferor.~~  
10 (c) "Class C transferee" means a transferee, except a surviving  
11 spouse, who is neither a Class A nor a Class B transferee.  
12 (d) For purposes of this section, a legally adopted child is to be  
13 treated as if he were the natural child of his adopting parent. For  
14 purposes of this section, if a relationship of loco parentis has existed for  
15 at least ten (10) years and if the relationship began before the child's  
16 fifteenth birthday, the child is to be considered the natural child of the  
17 loco parentis parent.

SB 207—LS 6965/DI 92+



SECTION 2. IC 6-4.1-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 10. (a) **With respect to a person who dies before July 1, 2001**, the first one hundred thousand dollars (\$100,000) of property interests transferred to a Class A transferee under a taxable transfer or transfers is exempt from the inheritance tax.

(b) **With respect to a person who dies after June 30, 2001, the entire amount of property interests transferred to a Class A transferee is exempt from the inheritance tax.**

SECTION 3. IC 6-4.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. (a) For purposes of this section, the net taxable value of property interests transferred by a decedent to a particular transferee equals the remainder of:

(1) the total fair market value of the property interests transferred by the decedent to the transferee under a taxable transfer or transfers; minus

(2) the total amount of exemptions and deductions provided under sections ~~9-1~~ 10 through 15 of IC 6-4.1-3 with respect to the property interests so transferred.

(b) **With respect to a person whose death occurred before July 1, 2001**, the inheritance tax imposed on a decedent's transfer of property interests to a particular Class A transferee is prescribed in the following table:

NET TAXABLE VALUE OF  
PROPERTY INTERESTS

TRANSFERRED

INHERITANCE TAX

\$25,000 or less.

1% of net taxable value

over \$25,000 but not

over \$50,000.

\$250, plus 2% of net  
taxable value over \$25,000

over \$50,000 but not

over \$200,000.

\$750, plus 3% of net taxable  
value over \$50,000

over \$200,000 but not

over \$300,000.

\$5,250, plus 4% of net  
taxable value over \$200,000

over \$300,000 but not

over \$500,000.

\$9,250, plus 5% of net  
taxable value over \$300,000

over \$500,000 but not

over \$700,000.

\$19,250, plus 6% of net  
taxable value over \$500,000



over \$700,000 but not	
over \$1,000,000.	\$31,250, plus 7% of net taxable value over \$700,000
over \$1,000,000 but not	
over \$1,500,000.	\$52,250, plus 8% of net taxable value over \$1,000,000
over \$1,500,000.	\$92,250, plus 10% of net taxable value over \$1,500,000

(c) With respect to a person whose death occurred after June 30, 2001, the inheritance tax imposed on the person's transfer of property interests to a particular Class A transferee is zero dollars (\$0).

(d) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class B transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED	INHERITANCE TAX
\$100,000 or less.	7% of net taxable value
over \$100,000 but not over \$500,000.	\$7,000, plus 10% of net taxable value over \$100,000
over \$500,000 but not over \$1,000,000.	\$47,000, plus 12% of net taxable value over \$500,000
over \$1,000,000.	\$107,000, plus 15% of net taxable value over \$1,000,000

(e) The inheritance tax imposed on a decedent's transfer of property interests to a particular Class C transferee is prescribed in the following table:

NET TAXABLE VALUE OF PROPERTY INTERESTS TRANSFERRED	INHERITANCE TAX
\$100,000 or less.	10% of net taxable value
over \$100,000 but not over \$1,000,000.	\$10,000, plus 15% of net taxable value over \$100,000
over \$1,000,000.	\$145,000, plus 20% of net taxable value over \$1,000,000

SECTION 4. [EFFECTIVE JULY 1, 2001] IC 6-4.1-1-3, as

SB 207—LS 6965/DI 92+



1 amended by this act, applies to the estate of a person who dies after  
2 June 30, 2001.

C  
o  
p  
y



SENATE MOTION

Mr. President: I move that Senators Skillman, Hume, Miller and Zakas be added as coauthors of Senate Bill 207.

FORD

C  
o  
p  
y



## COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Senate Bill No. 207, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 207 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 13, Nays 1.

C  
o  
p  
y

SB 207—LS 6965/DI 92+



## SENATE MOTION

Mr. President: I move that Senate Bill 207 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-4.1-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) "Class A transferee" means a transferee who is a:

- (1) lineal ancestor or lineal descendant of the transferor; **or**
- (2) **spouse, widow, or widower of a child of the transferor.**

(b) "Class B transferee" means a transferee who is a:

- (1) brother or sister of the transferor;
- (2) descendant of a brother or sister of the transferor; or
- (3) ~~spouse, widow, or widower of a child of the transferor.~~

(c) "Class C transferee" means a transferee, except a surviving spouse, who is neither a Class A nor a Class B transferee.

(d) For purposes of this section, a legally adopted child is to be treated as if he were the natural child of his adopting parent. For purposes of this section, if a relationship of loco parentis has existed for at least ten (10) years and if the relationship began before the child's fifteenth birthday, the child is to be considered the natural child of the loco parentis parent."

Page 3, after line 24 , begin a new paragraph and insert:

"SECTION 4. [EFFECTIVE JULY 1, 2001] **IC 6-4.1-1-3, as amended by this act, applies to the estate of a person who dies after June 30, 2001.**"

Re-number all SECTIONS consecutively.

(Reference is to SB 207 as printed February 23, 2001.)

ZAKAS

C  
o  
p  
y

